

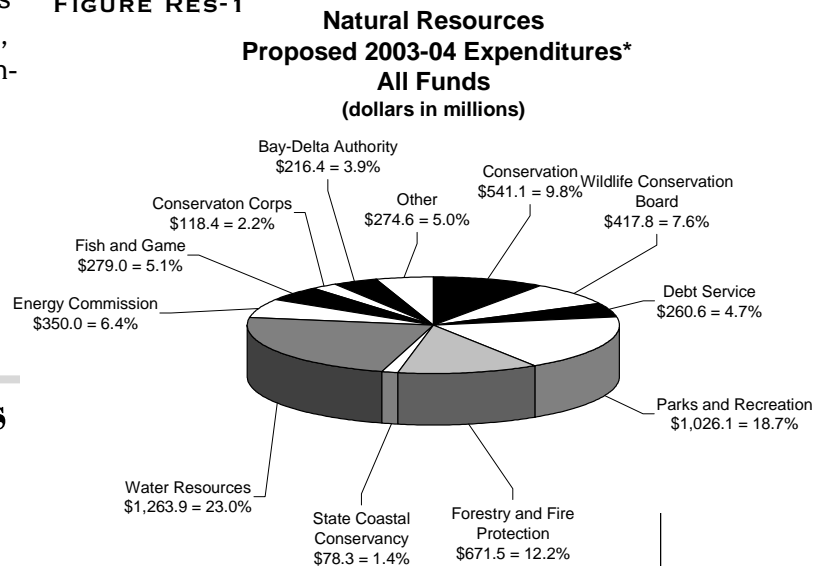
NATURAL RESOURCES

The Resources Agency, through its various departments, boards, commissions, and conservancies, is responsible for administering programs that conserve, preserve, restore, and enhance the rich and diverse natural and cultural resources of California. The Governor's Budget proposes \$5.5 billion and 15,357 personnel years for state operations, local assistance activities, and capital outlay.

Secretary for Resources

The Secretary for Resources is responsible for administering programs and policies governing the protection of California's natural and cultural resources. The Secretary also administers the Sea Grant Program and the California Legacy Project. The Governor's Budget proposes \$54.3 million and 45 personnel years, including \$7.9 million from Proposition 40 and \$25 million from Proposition 50, to develop and protect river parkways. Priority is given to projects consistent with approved water-

FIGURE RES-1



shed plans that also include water quality and watershed protection benefits while expanding recreation opportunities. Past projects have addressed needs on the San Diego and San Dieguito, San Gabriel, Los Angeles, Guadalupe, Sacramento, and Toulumne Rivers. The total Budget also includes \$7 million from Proposition 50 to provide grants to protect the Sierra Nevada Cascade.



Proposition 50

Proposition 50, “The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002,” passed in November by the voters, makes \$3.44 billion in bond funds available to address California’s water supply needs. Proposition 50 will allow investment to protect California’s water supply to continue, deploying funds over a five year program. Some of those funds are supporting activities in the current year, with approximately \$1.1 billion in the Governor’s Budget for protection of state water resources. Grants and loans will be provided to help local water agencies meet safe drinking water standards while improving system protections from terrorist attack or other deliberate acts of destruction. Other water-related programs will be continued to restore and protect groundwater and coastal bays and estuaries. Water conservation efforts will be funded, and water quality will be improved and pollution reduced through the capture of additional storm water and agricultural runoff. The State’s commitment to the CALFED Bay-Delta program will be continued. Projects to allow California to live within its apportionment of Colorado River water will be undertaken. Protection of uplands, watersheds, wetlands, and beaches will be provided through restoration and acquisition of sensitive properties.

Proposition 50 also provides an important economic stimulus for the State in general and local communities in particular. For example, lining the All American Canal will not only conserve an estimated 93,700 acre-feet of water, it will also provide employment in Imperial County. Sierra Nevada Cascade grants will improve recreational

and environmental facilities throughout California’s mountain communities. Grants and loans provided by the State Water Resources Control Board totaling \$112.5 million for infrastructure upgrades to water treatment facilities will improve drinking water, and engage local contractors in cities, municipalities, and local water districts. Urban and agricultural conservation programs and water-use efficiency programs will lower water expenditures starting with individual households and farms, resulting in improved water conservation on a statewide basis. Assistance to farmers to help them achieve cleaner agricultural runoff will make it possible for them to continue producing food, earn a profit, and clean up the environment.

The Governor’s Budget proposes \$515 million for direct land acquisitions and grants for purchasing and restoring sensitive lands and protecting the State’s natural resources—vital tools to assist in the protection of California’s waterways. Programs managed by the Resources Agency (and its constituent land acquiring entities such as the Wildlife Conservation Board and the State Coastal Conservancy) will address these opportunities throughout the state with an emphasis on the coast. The State’s commitment to local planning efforts will be recognized through participation in Natural Communities Conservation Planning (NCCP) activities, such as those underway in San Diego, Placer, and Riverside Counties. The Sierra Nevada Cascade grant program will focus on the protection of mountain water bodies, where the majority of clean water for all Californians originates. Other projects include coastal properties such as Bolsa Chica, as directed by the bond lan-



guage, and Ballona Wetlands in Southern California, Hearst Ranch on the Central Coast, Willow Creek at the mouth of the Russian River, Dutch Slough in the Sacramento-San Joaquin River Delta, and opportunities in the San Joaquin Valley Foothills.

Department of Conservation

The Department of Conservation administers a number of programs related to the state's geological resources, such as regulating oil, gas, and geothermal wells; studying and mapping earthquakes; and regulating surface mining activities. Conservation is also responsible for administering the beverage container recycling program and preserving farmland and open space. The Governor's Budget includes \$541.1 million and 601 personnel years. Significant adjustments include elimination of the North Coast Watershed Assessment Program (\$1.8 million). To date, the Administration has spent \$4.4 million to complete 3 watershed assessments, which are now available for incorporation into the state watershed regulatory process. Other adjustments include reductions for various mineral and geological hazards mapping programs (\$1.1 million).

The Governor's Budget also includes an additional \$2.2 million (Seismic Hazards Identification Fund and Strong Motion Instrumentation Fund) for earthquake mapping and monitoring activities to ensure that buildings, bridges, and homes are not significantly damaged by earthquakes.

Department of Forestry and Fire Protection

The Department of Forestry and Fire Protection (CDF) provides fire protection and suppression services on 31 million acres of non-federal wildlands, responds to emergencies, and protects and enhances forests, range lands, and watersheds. CDF also negotiates more than 140 cooperative agreements annually with counties, cities, and special districts to provide fully reimbursed fire protection services to local governments. The Governor's Budget includes \$671.5 million and 5,130 personnel years. The Budget makes no reductions in areas that will affect public safety, but does include relatively minor reductions of \$795,000 from consolidation of air attack bases (with no reduction in air services) and \$750,000 from closing lookout stations. Elimination of these lookout stations will not result in degradation of fire protection services because CDF can staff individual lookout stations when weather and other conditions warrant the need to do so.

California Conservation Corps

The mission of the California Conservation Corps (CCC) is to engage young men and women in meaningful work, public service, and educational activities that will assist them in becoming more responsible citizens, while protecting and enhancing California's environment and communities. The CCC operates district and satellite facilities, in both residential and nonresidential settings, from the Oregon to the Mexico borders. Since the CCC's creation in 1976, more than 88,000 young men and women



between the ages of 18 and 23 have participated in the program. The Governor's Budget includes \$118.4 million and 445 personnel years for the corps. The Budget reflects a 25 percent reduction of \$11.6 million General Fund in light of the severity of the General Fund revenue shortfall, resulting in a reduction of 328 corpsmembers slots.

Wildlife Conservation Board

The Wildlife Conservation Board (WCB) acquires lands on behalf of the Department of Fish and Game and assists local governments and conservancies through grants and cooperative agreements that allow for the preservation of wetland habitats and public access to recreation facilities and wildlife viewing areas. Since its inception, the WCB has acquired 595,000 acres that are now protected wildlife habitat, and developed nearly 300 public access sites statewide. The WCB has also funded the restoration or enhancement of over 209,000 acres of wetlands and riparian habitat managed by various public and private entities. The Governor's Budget proposes \$417.8 million and 31 personnel years, including \$367.2 million for implementation of Proposition 50 wetland restoration and acquisition projects.

Department of Fish and Game

The Department of Fish and Game manages California's diverse fish, wildlife, and plant resources, and habitats for their ecological values and enjoyment by the public. The Department also manages oil spill prevention programs and enforces

environmental laws such as the California Endangered Species Act. The Governor's Budget proposes \$279 million and 2,173 personnel years for the Department. The Budget includes an increase in fishing and hunting licensing fees (\$4 million), elimination of vacant positions (\$2.9 million), reduced operations at wildlife areas and ecological reserves (\$1.9 million), reduced hatchery operations (\$1.6 million), elimination of the Urban Fishing Program (\$1.2 million), and elimination of the North Coast Watershed Assessment Program (\$0.9 million).

Department of Parks and Recreation

The Department of Parks and Recreation is responsible for preserving the State's extraordinary biological diversity, natural and cultural resources, and high quality outdoor recreational opportunities. The State Park System consists of 266 units including parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites.

The Governor's Budget proposes \$1,026.1 million and 3,036 personnel years for state operations (\$278.6 million), local assistance (\$633.4 million), and capital outlay (\$114.1 million). Significant adjustments include an increase in State Park fees (\$20 million), a reduction in the number of field offices from 23 to 14 (\$6.5 million), administrative reductions (\$2.5 million), and fund shifts from the General Fund to special funds (\$6 million).



The Governor's Budget also includes \$594.2 million from Proposition 40 for local grants, park facility restoration, and infrastructure improvements. Of this amount, \$125.6 million is included for historical and cultural grant programs and artifact restoration projects.

CALFED

The CALFED Bay-Delta Program is an unprecedented effort to build a framework for managing California's most precious natural resource—water. California and the federal government have launched the largest, most comprehensive water management and ecosystem restoration program in the world. The CALFED program includes participation by water users, environmentalists, business leaders, and representatives of local governments and tribal communities.

The Governor's Budget includes \$582.1 million for the State's share of the CALFED Bay-Delta Program (\$18.4 million General Fund, \$531.2 million bond funds, and \$32.5 million other funds) for the following activities:

- ◆ \$133.1 million for ecosystem restoration programs and projects.
- ◆ \$111.2 million for water storage projects.
- ◆ \$88.6 million for water conservation activities.
- ◆ \$43.1 million for Delta conveyance projects.

- ◆ \$206.1 million for water quality projects, environmental water account, science, water transfers, watershed management, Delta levees, and program oversight.

Department of Water Resources

The Department of Water Resources (DWR) protects, conserves, and develops the State's water supply. DWR delineates the State's water issues, forecasts future water needs, evaluates and inventories existing water resources, and explores conservation and storage options to meet the needs of the State's growing population. The Governor's Budget includes a total of \$1,263.9 million and 2,739 personnel years for state operations (\$536.1 million), local assistance activities (\$208.2 million), and capital outlay (\$519.6 million). These figures reflect a shift in funding for the Drought Panel Recommendations program from the General Fund to Proposition 50, a modest reduction in flood management activities (\$2.1 million), and a reduction in water management activities (\$1.6 million).

In addition, DWR will expend \$5.3 billion from the Electric Power Fund to manage long-term electric power contracts that help meet the State's electrical needs. These costs are borne by ratepayers. In October 2002, the State issued \$11.7 billion of revenue bonds to repay the General Fund for electric power purchased on behalf of the state's investor-owned utilities. Beginning on January 1, 2003, the state's investor-owned utilities will resume the responsibility for purchasing electric power for their customers.



The Governor's Budget also includes \$102.2 million from Proposition 50 for the following activities:

- ◆ \$51.7 million for projects that protect communities from drought, protect and improve water quality, and improve local water security.
- ◆ \$19 million for the lining of the Colorado River Canal and the Coachella Branch.
- ◆ \$15.2 million for grants for desalination projects.
- ◆ \$11.5 million for drinking water quality pilot projects.
- ◆ \$4.8 million to improve dam security.

The Governor's Budget provides funding from Proposition 13 and Proposition 40 for the following activities:

- ◆ \$7.3 million for the Flood Protection Corridor Program (Proposition 13).
- ◆ \$4.6 million for the Urban Streams Restoration Program (Proposition 40).
- ◆ \$3 million for the Yuba Feather Flood Protection Program (Proposition 13).

Energy Resources Conservation and Development Commission

The mission of the California Energy Commission (Commission) is to ensure a reliable supply of energy that meets California's needs and complies with environmental, safety, and land use goals. The Commission processes applications to site new power facilities; encourages measures to reduce

wasteful and inefficient use of energy; and monitors alternative ways to conserve, generate, and supply energy.

The Governor's Budget proposes \$350 million and 477 personnel years for state operations and local assistance. The Budget includes \$1.6 million for energy demand data collection and analysis activities to generate the most up-to-date energy demand forecast information. This information will assist policymakers with generation, transmission, and conservation decisions. The Governor's Budget also includes \$2 million for the fifth phase of the Katz Safe School Bus Clean Fuel Efficiency Demonstration Program, which replaces older polluting school buses with buses that meet or exceed current standards.

Public Utilities Commission

The Public Utilities Commission is responsible for the regulation of investor-owned utilities, including gas, electricity, telephone, water, railroads, and certain passenger and household goods carriers to ensure the delivery of stable, safe, and economic services. Specific activities include enforcement of safety regulations, controlling industry rates for services, and promoting energy and resource conservation. The Governor's Budget proposes \$1.2 billion and 896 personnel years for state operations, including \$893 million for the administration of the Universal Service Telephone programs and \$247 million for the Natural Gas Surcharge program, which provides assistance to low-income customers, supports energy conservation efforts, and sponsors research and development projects.



California Consumer Power and Conservation Financing Authority

The purpose of the California Consumer Power and Conservation Financing Authority is to ensure that California has a sufficient supply of electricity at reasonable prices while contributing to cleaner air, climate control, and a better environment. Activities include promoting conservation, financing new projects, and advancing greater use of renewable energy. The Governor's Budget proposes \$4.3 million and 13 personnel years for state operations.

Electricity Oversight Board

The Electricity Oversight Board is responsible for overseeing the operation and reliability of the electricity transmission system; the operation, efficiency, and competitiveness of markets for bulk energy, transmission, ancillary services; and all activities of the Independent System Operator. The Governor's Budget proposes \$3.7 million and 25 personnel years for state operations.



